

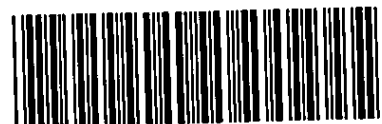
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**AGRESERVES LIMITED**

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**ABBREVIATED ACCOUNTS  
FOR THE YEAR ENDED  
31 DECEMBER 2006**

TUESDAY



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25/09/2007  
COMPANIES HOUSE

**AGRESERVES LIMITED**

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**COMPANY INFORMATION**

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<b>DIRECTORS</b>	C R Jolliffe C O Jones R L Cowan P C Genho D M Sleight (appointed 19/5/06)
<b>SECRETARY</b>	C O Jones and P J Wheeler
<b>COMPANY NUMBER</b>	2947030
<b>REGISTERED OFFICE</b>	Manor Farm Woodwalton Huntingdon Cambridgeshire PE17 5YU
<b>AUDITORS</b>	Martin & Acock Chartered Accountants & Registered Auditors 2 The Close Norwich Norfolk NR1 4DJ

**AGRESERVES LIMITED**

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## **AGRESERVES LIMITED**

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### **DIRECTORS' REPORT** **For the year ended 31 December 2006**

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The directors present their report and the financial statements for the year ended 31 December 2006

#### **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

In determining how amounts are presented within items in the profit and loss account and balance sheet, the directors have had regard to the substance of the reported transaction or arrangement, in accordance with generally accepted accounting principles or practice

So far as each of the directors is aware at the time the report is approved

- there is no relevant audit information of which the company's auditors are unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information (s 234ZA (2))

#### **PRINCIPAL ACTIVITIES AND REVIEW OF BUSINESS**

The company's principal activity continues to be that of arable farming

The company continued to operate a policy of generating the highest profits feasible from efficient farming techniques that utilise the latest technology whilst ensuring the appearance and upkeep of the farm land and buildings which are maintained to a high standard

The directors are committed to maintaining the positive trends in crop performance, whilst striving to improve economic rewards gained from the continued operating success, and are confident that previous levels of profitability can be attained

#### **RESULTS AND DIVIDENDS**

The profit for the year, after taxation, amounted to £222,895 (2005 - Loss £414,046)

The directors do not recommend the payment of a dividend

**AGRESERVES LIMITED**

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**DIRECTORS' REPORT**  
**For the year ended 31 December 2006**

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**DIRECTORS**

The directors who served during the year and their beneficial interests in the company's issued share capital were

	Ordinary shares of £1 each	
	<u>31/12/06</u>	<u>1/1/06</u>
C R Jolliffe	-	-
C O Jones	-	-
R L Cowan	-	-
P C Genho	-	-
D M Sleight (appointed 19/5/06)	-	-

**AUDITORS**

The auditors, Martin & Acock, will be proposed for reappointment in accordance with section 385 of the Companies Act 1985

This report was approved by the board on *2nd August 2007* and signed on its behalf

Director



**INDEPENDENT AUDITORS' REPORT TO AGRESERVES LIMITED**  
**Under section 247B of the Companies Act 1985**

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We have examined the abbreviated accounts of AgReserves Limited for the year ended 31 December 2006 set out on pages 5 to 19, together with the financial statements of the company for the year ended 31 December 2006 prepared under section 226 of the Companies Act 1985

This report is made solely to the company, in accordance with s 247B of the Companies Act 1985. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company, for our work, for this report, or for the opinions we have formed.

**RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS**

The directors are responsible for preparing the abbreviated accounts in accordance with section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with section 246A(3) of the Act to the registrar and whether the accounts to be delivered are properly prepared in accordance with those provisions and to report our opinion to you.

**BASIS OF AUDIT OPINION**

We have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the financial statements.

**OPINION**

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246 A(3) of the Companies Act 1985, and the abbreviated accounts on pages 5 to 19 are properly prepared in accordance with those provisions.

**OTHER INFORMATION**

On 5 September 2007 we reported as auditors to the members of the company on the financial statements prepared under section 226 of the Companies Act 1985 and our audit report was as follows:

We have audited the financial statements of AgReserves Limited for the year ended 31 December 2006 set out on pages . These financial statements have been prepared under the historical cost convention and the accounting policies set out on .

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

**RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS**

As described in the Statement of directors' responsibilities the company's directors are responsible for the preparation of financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if

**INDEPENDENT AUDITORS' REPORT TO AGRESERVES LIMITED**  
**Under section 247B of the Companies Act 1985**

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we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed

We read the Directors' report and consider the implications for our report if we become aware of any apparent misstatements within it

**BASIS OF AUDIT OPINION**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

**UNQUALIFIED OPINION**

In our opinion the financial statements

- give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2006 and of its profit for the year then ended,
- have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the directors' report is consistent with the financial statements

*Martin and Acock*

**Martin & Acock**  
Chartered Accountants  
Registered Auditors

2 The Close  
Norwich  
Norfolk  
NR1 4DJ

5 September 2007

**AGRESERVES LIMITED**

**ABBREVIATED PROFIT AND LOSS ACCOUNT**  
For the year ended 31 December 2006

	Note	2006 £	<i>As restated</i> 2005 £
<b>GROSS PROFIT</b>		<b>1,929,363</b>	<b>1,546,470</b>
Administrative expenses		<u>(1,768,915)</u>	<u>(1,736,101)</u>
<b>OPERATING PROFIT/(LOSS)</b>	<b>2</b>	<b>160,448</b>	<b>(189,631)</b>
Charitable donation		<u>(150,000)</u>	<u>(370,876)</u>
Interest receivable		<u>153,346</u>	<u>162,605</u>
<b>PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>163,794</b>	<b>(397,902)</b>
<b>TAX ON PROFIT/(LOSS) ON ORDINARY ACTIVITIES</b>	<b>5</b>	<u>59,101</u>	<u>(16,144)</u>
<b>PROFIT/(LOSS) ON ORDINARY ACTIVITIES AFTER TAXATION</b>		<u><b>£ 222,895</b></u>	<u><b>£ (414,046)</b></u>

All amounts relate to continuing operations

The notes on pages 10 to 19 form part of these financial statements



**AGRESERVES LIMITED**

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**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES**  
**For the year ended 31 December 2006**

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	<b>2006</b> <b>£</b>	<i>As restated</i> <b>2005</b> <b>£</b>
<b>PROFIT/(LOSS) FOR THE FINANCIAL YEAR</b>	<b>222,895</b>	<b>(414,046)</b>
<b>TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR</b>	<b>222,895</b>	<b>£ (414,046)</b>
Prior year adjustment	<b>(397,902)</b>	
<b>TOTAL GAINS AND LOSSES RECOGNISED SINCE LAST FINANCIAL STATEMENTS</b>	<b>£ (175,007)</b>	<b>£ (414,046)</b>

The notes on pages 10 to 19 form part of these financial statements

**AGRESERVES LIMITED**

**ABBREVIATED BALANCE SHEET**  
As at 31 December 2006

		2006		As restated 2005	
	Note	£	£	£	£
<b>FIXED ASSETS</b>					
Tangible fixed assets	6		2,465,504		2,777,986
Investments	7		6,928,674		6,928,674
			<u>9,394,178</u>		<u>9,706,660</u>
<b>CURRENT ASSETS</b>					
Stocks	8	1,829,642		1,906,608	
Debtors	9	1,122,418		1,505,579	
Cash at bank		480,723		213,743	
		<u>3,432,783</u>		<u>3,625,930</u>	
<b>CREDITORS</b> amounts falling due within one year	10	(3,830,997)		(4,500,420)	
<b>NET CURRENT LIABILITIES</b>			<u>(398,214)</u>		<u>(874,490)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>8,995,964</u>		<u>8,832,170</u>
<b>PROVISIONS FOR LIABILITIES AND CHARGES</b>					
Deferred taxation	11		-		(59,101)
<b>NET ASSETS</b>			<u><u>£ 8,995,964</u></u>		<u><u>£ 8,773,069</u></u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	12		4,100,000		4,100,000
Capital redemption reserve			5,350,000		5,350,000
Profit and loss account	13		(454,036)		(676,931)
<b>SHAREHOLDERS' FUNDS - All Equity</b>	15		<u><u>£ 8,995,964</u></u>		<u><u>£ 8,773,069</u></u>

**AGRESERVES LIMITED**

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**ABBREVIATED BALANCE SHEET**  
**As at 31 December 2006**

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The abbreviated accounts, which have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 applicable to medium-sized companies, were approved by the board on *2nd Aug 2007* and signed on its behalf



Director

The notes on pages 10 to 19 form part of these financial statements

**AGRESERVES LIMITED**

**ABBREVIATED CASH FLOW STATEMENT**  
For the year ended 31 December 2006

	<b>Note</b>	<b>2006 £</b>	<b>2005 £</b>
Net cash flow from operating activities	16	<b>528,168</b>	<b>(2,844,435)</b>
Returns on investments and servicing of finance	17	<b>153,346</b>	<b>162,605</b>
Capital expenditure and financial investment	17	<b>(414,534)</b>	<b>(782,016)</b>
Acquisitions and disposals	17	<b>-</b>	<b>2,449,900</b>
<b>INCREASE/(DECREASE) IN CASH IN THE YEAR</b>		<b>£ 266,980</b>	<b>£ (1,013,946)</b>

**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT (NOTE 18)**  
For the year ended 31 December 2006

	<b>2006 £</b>	<b>2005 £</b>
Increase/(Decrease) in cash in the year	<b>266,980</b>	<b>(1,013,946)</b>
<b>MOVEMENT IN NET DEBT IN THE YEAR</b>	<b>266,980</b>	<b>(1,013,946)</b>
Net funds at 1 January 2006	<b>213,744</b>	<b>1,227,690</b>
<b>NET FUNDS AT 31 DECEMBER 2006</b>	<b>£ 480,724</b>	<b>£ 213,744</b>

The notes on pages 10 to 19 form part of these financial statements

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**NOTES TO THE ABBREVIATED ACCOUNTS**  
**For the year ended 31 December 2006**

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**1. ACCOUNTING POLICIES**

**1.1 Basis of preparation of financial statements**

The full financial statements, from which these abbreviated accounts have been extracted, have been prepared under the historical cost convention and in accordance with applicable accounting standards

The company is itself a subsidiary company and is exempt from the requirement to prepare group accounts by virtue of section 228 of the Companies Act 1985. These financial statements therefore present information about the company as an individual undertaking and not about its group

**1.2 Turnover**

Turnover comprises the invoiced value of goods and services supplied by the company, exclusive of Value Added Tax and trade discounts

**1.3 Tangible fixed assets and depreciation**

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Plant and equipment	-	Straight Line over 5 to 10 years
Fixtures, fittings, tools and equipment	-	straight line

**1.4 Operating leases**

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the profit and loss account on the straight line basis over the lease term

**1.5 Stocks**

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads

**1.6 Deferred taxation**

Provision is made in full for all taxation deferred in respect of timing differences that have originated but not reversed by the balance sheet date, except for gains on disposal of fixed assets which will be rolled over into replacement assets. No provision is made for taxation on permanent differences

Deferred tax assets are recognised to the extent that it is more likely than not that they will be recovered

**1.7 Pensions**

The company is a member of a multi-employer Deseret UK Benefit Plan that is of a defined benefit type and retirement benefits are payable through a separately funded UK pension scheme. The company has followed the requirements of FRS 17, Retirement Benefits and as the company is unable to identify its share of the underlying assets and liabilities of the scheme it is accounted for as a defined contribution scheme. Full details of the plan are provided in the financial statements of The Church of Jesus Christ of Latter-day Saints (Great Britain)

**AGRESERVES LIMITED**

**NOTES TO THE ABBREVIATED ACCOUNTS**  
For the year ended 31 December 2006

**2. OPERATING PROFIT/(LOSS)**

The operating profit/(loss) is stated after charging

	2006	<i>As restated</i> 2005
	£	£
Depreciation of tangible fixed assets		
- owned by the company	754,520	779,628
Auditors' remuneration	12,000	12,850
Operating lease rentals		
- other operating leases	392,296	394,145
	<u>          </u>	<u>          </u>

**3. STAFF COSTS**

Staff costs, including directors' remuneration, were as follows

	2006	2005
	£	£
Wages and salaries	549,678	498,305
Other pension costs	60,166	62,452
	<u>          </u>	<u>          </u>
	£ 609,844	£ 560,757
	<u>          </u>	<u>          </u>

The average monthly number of employees, including directors, during the year was as follows

	2006	2005
Farming	26	28
Office and management	11	11
	<u>          </u>	<u>          </u>
	37	39
	<u>          </u>	<u>          </u>

**4 DIRECTORS' REMUNERATION**

	2006	2005
	£	£
Emoluments	£ 107,206	£ 90,424
	<u>          </u>	<u>          </u>
Company pension contributions to defined benefit pension schemes	£ 11,794	£ 10,359
	<u>          </u>	<u>          </u>

During the year retirement benefits were accruing to 1 director (2005 - 1) in respect of defined benefit pension schemes

**NOTES TO THE ABBREVIATED ACCOUNTS**  
For the year ended 31 December 2006

**5 TAXATION**

	2006 £	2005 £
<b>Analysis of tax charge in year</b>		
<b>Deferred tax</b>		
Origination and reversal of timing differences	(59,101)	16,144
<b>Total deferred tax (see note 11)</b>	<u>(59,101)</u>	<u>16,144</u>
<b>Tax on (loss)/profit on ordinary activities</b>	<u>£ (59,101)</u>	<u>£ 16,144</u>

There were no factors that affected the tax charge for the year which has been calculated on the profits on ordinary activities before tax at the standard rate of corporation tax in the UK applicable to the company of 30% (2005 - 30)

**Factors affecting tax charge for year**

The tax assessed for the year is lower than the standard rate of corporation tax in the UK applicable to the company (30%) The differences are explained below

	2006 £	2005 £
Profit/(loss) on ordinary activities before tax	<u>163,794</u>	<u>(397,902)</u>
Profit/(loss) on ordinary activities multiplied by the relevant standard rate of corporation tax in the UK of 30% (2005 - 30)	49,138	(119,371)
<b>Effects of:</b>		
Capital allowances for period in excess of depreciation	(55,405)	-
Utilisation of tax losses	6,267	119,371
<b>Current tax charge for year (see note above)</b>	<u>£ -</u>	<u>£ -</u>

There were no factors that may affect future tax charges

**AGRESERVES LIMITED**

**NOTES TO THE ABBREVIATED ACCOUNTS**  
For the year ended 31 December 2006

**6. TANGIBLE FIXED ASSETS**

	Plant and equipment £
<b>Cost</b>	
At 1 January 2006	6,084,845
Additions	535,745
Disposals	(365,042)
	<u>6,255,548</u>
At 31 December 2006	
<b>Depreciation</b>	
At 1 January 2006	3,306,859
Charge for the year	754,520
On disposals	(271,335)
	<u>3,790,044</u>
At 31 December 2006	
<b>Net book value</b>	
At 31 December 2006	<u>£ 2,465,504</u>
At 31 December 2005	<u>£ 2,777,986</u>

Included within buildings £NIL and £NIL relates to long and short term leasehold property respectively

**7. FIXED ASSET INVESTMENTS**

	Shares in group under- takings £	Listed and un- listed invest- ments £	Total £
<b>Cost</b>			
At 1 January 2006 and 31 December 2006	<u>£ 6,923,498</u>	<u>£ 5,176</u>	<u>£ 6,928,674</u>



**AGRESERVES LIMITED**

**NOTES TO THE ABBREVIATED ACCOUNTS**  
For the year ended 31 December 2006

**Subsidiary undertakings**

The following was a subsidiary undertakings of the company

Hallsworth (Farmland Trust) Limited	100%
Farmspeed (Southery Anchor) Limited	100%

The aggregate of the share capital and reserves as at 31 December 2006 and of the profit or loss for the year ended on that date for the subsidiary undertakings was as follows

	Aggregate of share capital and reserves £	Profit/(loss) £
Hallsworth (Farmland Trust) Limited	3,318,130	-
Farmspeed (Southery Anchor) Limited	2,214,722	-
	<u>5,532,852</u>	<u>-</u>

**7. FIXED ASSET INVESTMENTS (continued)**

**Listed investments**

The market value of the listed investments at 31 December 2006 was £22,795 (2005 - £17,034)

**8. STOCKS**

	2006 £	As restated 2005 £
Cultivations	830,622	719,170
Crops in store	999,020	1,187,438
	<u>£ 1,829,642</u>	<u>£ 1,906,608</u>

**9. DEBTORS**

	2006 £	2005 £
Trade debtors	967,132	1,376,960
Other debtors	155,286	128,619
	<u>£ 1,122,418</u>	<u>£ 1,505,579</u>

**AGRESERVES LIMITED**

**NOTES TO THE ABBREVIATED ACCOUNTS**  
For the year ended 31 December 2006

**10 CREDITORS:**  
Amounts falling due within one year

	2006 £	2005 £
Trade creditors	331,972	98,770
Amounts owed to group undertakings	3,416,134	4,229,164
Other creditors	82,891	172,486
	<u>£ 3,830,997</u>	<u>£ 4,500,420</u>

A composite guarantee dated 27 March 1998 is in place for indebtedness between AgReserves Limited and its two subsidiary companies, Hallsworth (Farmland Trust) Limited and Farmspeed (Southery Anchor) Limited

**11 DEFERRED TAXATION**

	2006 £	2005 £
At 1 January 2006	59,101	42,957
(Released during)/charge for the year	(59,101)	16,144
	<u>£ -</u>	<u>£ 59,101</u>

The deferred tax provision is made up as follows

	2006 £	2005 £
Accelerated capital allowances	-	59,101
	<u>£ -</u>	<u>£ 59,101</u>

**12 SHARE CAPITAL**

	2006 £	2005 £
<b>Authorised</b>		
10,000,000 Ordinary shares of £1 each	<u>£10,000,000</u>	<u>£10,000,000</u>
<b>Allotted, called up and fully paid</b>		
4,100,000 Ordinary shares of £1 each	<u>£ 4,100,000</u>	<u>£ 4,100,000</u>

**AGRESERVES LIMITED**

**NOTES TO THE ABBREVIATED ACCOUNTS**  
For the year ended 31 December 2006

**13. RESERVES**

<b>Profit and loss account</b>	<b>£</b>
At 1 January 2006	(279,029)
Prior year adjustment (note 14)	(397,902)
	<u>(676,931)</u>
At 1 January 2006 as restated	(676,931)
Profit retained for the year	222,895
	<u>222,895</u>
At 31 December 2006	<u><u>£ (454,036)</u></u>

**14. PRIOR YEAR ADJUSTMENT**

The prior year adjustment relates to a change in the accounting policy on the valuation of crop in store

**15. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS**

	2006 £	2005 £
Profit/(loss) for the year	222,895	(414,046)
	<u>222,895</u>	<u>(414,046)</u>
Opening shareholders' funds	8,773,069	9,187,115
Closing shareholders' funds	<u><u>£ 8,995,964</u></u>	<u><u>£ 8,773,069</u></u>

**16. NET CASH FLOW FROM OPERATING ACTIVITIES**

	2006 £	2005 £
Operating profit/(loss)	160,448	(189,631)
Depreciation of tangible fixed assets	754,520	779,628
Profit on disposal of tangible fixed assets	(27,504)	(8,642)
Decrease in stocks	76,967	251,140
Decrease/(increase) in debtors	383,161	(189,545)
Increase/(decrease) in creditors	143,606	(438,027)
Decrease in amounts owed to group undertakings	(963,030)	(3,049,358)
<b>NET CASH INFLOW/(OUTFLOW) FROM OPERATIONS</b>	<u><u>£ 528,168</u></u>	<u><u>£ (2,844,435)</u></u>

**AGRESERVES LIMITED**

**NOTES TO THE ABBREVIATED ACCOUNTS**  
For the year ended 31 December 2006

**17. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT**

	2006 £	2005 £
<b>RETURNS ON INVESTMENTS AND SERVICING OF FINANCE</b>		
Interest received	£ 153,346	£ 162,605
	<u>          </u>	<u>          </u>
	2006 £	2005 £
<b>CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT</b>		
Purchase of tangible fixed assets	(535,745)	(983,691)
Sale of tangible fixed assets	121,211	201,675
	<u>          </u>	<u>          </u>
<b>NET CASH OUTFLOW FROM CAPITAL EXPENDITURE</b>	£ (414,534)	£ (782,016)
	<u>          </u>	<u>          </u>
	2006 £	2005 £
<b>ACQUISITIONS AND DISPOSALS</b>		
Purchase of fixed asset investments	£ -	£ 2,449,900
	<u>          </u>	<u>          </u>

**18 ANALYSIS OF CHANGES IN NET DEBT**

	1 January 2006 £	Cash flow £	Other non-cash changes £	31 December 2006 £
Cash at bank and in hand	213,743	266,980	-	480,723
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>DEBT :</b>				
Debts due within one year	1	-	-	1
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>NET FUNDS</b>	£ 213,744	£ 266,980	£ -	£ 480,724
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

**NOTES TO THE ABBREVIATED ACCOUNTS**  
For the year ended 31 December 2006

**19. PENSION COMMITMENTS**

The Company participates in a pension scheme operated by the Church of Jesus Christ of Latter-day Saints (Great Britain), the Deseret UK Benefit Plans ("the plan"). The schemes are of the defined benefit type and are funded by contributions from the participating companies and their employees at rates determined by independent actuaries in the light of regular valuations. Such contributions are held in trustee-administered funds completely independent of group finances. Full disclosure of the valuation is shown in the accounts of The Church of Jesus Christ of Latter-day Saints (Great Britain). The company has accounted for the schemes as if they were defined contribution schemes because it is not feasible to split the assets and liabilities between all the companies whose employees are members. Contributions to the schemes for the year were £60,166 (2005 £62,452).

**20. OPERATING LEASE COMMITMENTS**

At 31 December 2006 the company had annual commitments under non-cancellable operating leases as follows

	<b>Land and buildings</b>	
	<b>2006</b>	<b>2005</b>
	<b>£</b>	<b>£</b>
<b>Expiry date:</b>		
Within 1 year	<u>437,607</u>	<u>392,226</u>

**21. RELATED PARTY TRANSACTIONS**

During the normal courses of business, the company carried out arms length transactions with various related parties as follows

a) The Church of Jesus Christ of Latter-Day Saints (Welfare) Limited which, under the name of England Farm Properties, is the company's landlord

	<b>2006</b>	<b>2005</b>
	<b>£</b>	<b>£</b>
Charitable covenant payable	150,000	370,876
Rent payable	403,873	392,229
Management fees receivable	167,696	216,511
Creditor balance as at 31 December 2006	<u>(2,948,224)</u>	<u>(3,090,930)</u>

b) Hallsworth (Farmland Trust) Limited, a 100% subsidiary of the company,

	<b>2006</b>	<b>2005</b>
	<b>£</b>	<b>£</b>
Custom work charges receivable	1,516,756	1,554,690
Creditor balance as at 31 December 2006	<u>(181,451)</u>	<u>(589,130)</u>

c) Farmspeed (Southery Anchor) Limited, a 100% subsidiary of the company,

	<b>2006</b>	<b>2005</b>
	<b>£</b>	<b>£</b>
Custom work charges receivable	1,318,712	1,862,930
Creditor balance as at 31 December 2006	<u>(286,459)</u>	<u>(589,711)</u>

**AGRESERVES LIMITED**

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**NOTES TO THE ABBREVIATED ACCOUNTS**  
**For the year ended 31 December 2006**

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**22 ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY**

The company is owned solely by the Corporation of the Presiding Bishop of the Church of Jesus Christ of Latter-day Saints, this company being incorporated in the state of Utah, United States of America